

~~SECRET~~

Approved For Release 2004/06/24 : CIA-RDP79-00927A000100210001-9

COPY NO. 319

25X1

OCI NO. 0489

23 October 1953

CURRENT INTELLIGENCE WEEKLY



DOCUMENT NO. 22
NO CHANGE IN CLASS. ☐
DECLASSIFIED
CLASS. CHANGED TO: TS S 0489
NEXT REVIEW DATE:
AUTH. HR 70
DATE 7-23-71 REVIEWER: ☐

25X1

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

~~SECRET~~

25X1

~~CONFIDENTIAL~~

State Dept. review completed

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECS. 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

The Current Intelligence Weekly has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current situations. Comments and conclusions represent the immediate appraisal of the Office of Current Intelligence.

~~SECRET~~

CONFIDENTIAL

25X1

SUMMARY OF CONTENTS

THE SOVIET WORLD Page 4

25X6



LATIN AMERICAN REACTIONS TO DEVELOPMENTS IN BRITISH
GUIANA Page 7

The resurgence of Latin American anticolonialism provoked by the British Guiana situation may complicate the United States position in the UN and at the Tenth Inter-American Conference.

FRENCH-VIETNAMESE RELATIONS NEARING A SHOWDOWN Page 9

The unanimous rejection by the Vietnam "National Congress" of the concept of the French Union as now constituted foreshadows a Vietnamese demand for far-reaching concessions in forthcoming negotiations with the French.

WESTERN CONSTRUCTION AND REPAIR OF SHIPS FOR THE
SOVIET BLOC Page 11

The growing willingness of free world countries to build and repair ships for the Orbit is one of the difficulties the United States will face in its efforts to obtain tighter COCOM controls.

KENYA ANTI-MAU MAU DRIVE LOSES MOMENTUM Page 13

British military operations against the Mau Mau during the past year have not fulfilled earlier expectations. General Erskine, chief of the East Africa Command, has advised the War Office that the military effort will be of no avail unless political action is taken soon.

CONFIDENTIAL

~~SECRET~~

SECRET

25X1

THE OVERSEAS CHINESE IN SOUTHEAST ASIA Page 15

Four years after the establishment of the Communist regime in Peiping, most of the 10,000,000 Overseas Chinese in Southeast Asia have still not openly committed themselves as being for or against the Communists. (SEE MAP)

SECRET

SECRET

25X1

THE SOVIET WORLD

The unpublicized appearance of G. M. Malenkov in Kiev on 9-10 October, apparently in connection with a plenum of the Ukrainian Central Committee which dealt with agricultural problems, may have been intended to counter the build-up accorded N. S. Khrushchev as spokesman for the new Soviet agricultural program. This unusual visit, along with the general failure of Soviet propaganda to associate recent agricultural decisions with Malenkov's 8 August speech to the Supreme Soviet, could indicate a developing rivalry between the two leaders.

Two party presidium members, Molotov and Voroshilov, are believed to be absent from work due to poor health. Molotov reportedly seemed depressed and ill a month ago immediately prior to going on leave, and Voroshilov's absence from late August on was recently attributed to sickness by a Soviet Foreign Ministry official. Numerical reductions in the Soviet hierarchy at this time would tend to sharpen any existing differences among the top leaders.

The appearance of a Pravda article by Eugene Varga on 18 October and the recent publication of his book on capitalist economics indicate that the views of this economist have regained favor. He had been criticized since 1947 for his "optimistic" analysis of capitalism's economic strength. Varga has been outstanding among Soviet economists for his realistic, practical approach to problems of policy and dogma, and his apparent comeback now supports the belief that the present leaders are less prejudiced by Marxist doctrine in their views of the capitalist world than was Stalin.

Soviet press reaction to the Anglo-American decision on Trieste is generally restrained. Coverage has ignored Yugoslav reaction, and comment has not been beamed to the Yugoslav audience. Ambassador Bohlen sees in the cautious tone of Soviet propaganda a desire to avoid taking sides in the dispute or appearing to support Yugoslavia against Italy. An additional factor, Bohlen believes, is Soviet concern at the violence of Yugoslav reaction, since it is "doubtful that the Soviet government would wish to see an armed clash in the Balkan area which might be difficult to confine."

Once Moscow revealed its position on Trieste, the Italian Communists swung dutifully into line despite Togliatti's proplebiscite speech made prior to the Soviet note. Unita, however,

SECRET

SECRET

25X1

made an oblique gesture toward Italian nationalist sentiment by presenting the Soviet position as the "only way to save Zone B" for the Italians.

In Communist China, all or most chiefs of mission in Peiping were invited on a one-week tour of Manchuria which began on 19 October, according to the Swedish Foreign Ministry. This is the latest indication that the Peiping regime may be following the Soviet lead in attempting to improve relations with certain non-Communist countries. Such an effort has seemed to be one aim of Peiping's recent insistence on the participation of Asian "neutral nations" in the Korean political conference.

SECRET

25X6

Approved For Release 2004/06/24 : CIA-RDP79-00927A000100210001-9

Approved For Release 2004/06/24 : CIA-RDP79-00927A000100210001-9

SECRET

25X1

LATIN AMERICAN REACTIONS TO DEVELOPMENTS IN BRITISH GUIANA

The declaration of Brazilian president Vargas on 12 October favoring independence of European colonies in the western hemisphere emphasizes a resurgence of anticolonialism in Latin America. Provoked by the British Guiana situation, this reaction may complicate the United States position in the UN and at the Tenth Inter-American Conference next March.

A discussion of the European colonies and dependent territories entered on the draft agenda of the conference at Guatemala's and Argentina's request may lead to attacks on the status of the various British, French, and Dutch possessions in the western hemisphere.

The strong Vargas pronouncement, apparently intended to deflate ultranationalist and Communist criticism in Brazil, may greatly influence the ultimate attitudes of the majority of Latin American nations, which have thus far seemed hesitant to take a stand. Several Latin American diplomats in Rio de Janeiro reportedly have already recommended that their governments publicly support Vargas. The Argentine, Cuban, and Ecuadoran ambassadors in Caracas previously were quoted as favoring an end to the "colonial system in the hemisphere."

The Guatemalan congress has requested other Latin American parliaments to join in protesting Britain's "attacks" on British Guiana. The Venezuelan foreign minister, although he had privately told American officials that he approved Washington's support of Britain, issued a press statement on 16 October offering moral support to the "independence movement" in Guiana.

The British action can also be expected to strengthen Latin American sympathy in the UN for the grievances of other colonial or underdeveloped areas. Guatemala is reportedly now sounding out certain Latin American delegations with a view to supporting the cause of Cheddi Jagan, ousted prime minister of British Guiana.

Although there is no evidence that decisive support for Jagan will be forthcoming, the crisis in British Guiana may strengthen Latin American backing for the North African nationalists in the UN. On 19 October a Bolivian-sponsored

SECRET

SECRET

25X1

resolution recognizing Morocco's right to self-determination was passed in the UN Political Committee with the support of Argentina, Guatemala, and Mexico. Abstentions included Brazil, Paraguay, Peru, Uruguay, Venezuela and El Salvador. Similar Latin American support can be expected on the Tunisian question.

The developments in Guiana may also influence Latin American reaction to the American argument that Puerto Rico is now self-governing and that reports to the United Nations are no longer necessary. Largely through the support of the Latin American nations, the Trusteeship Committee on 9 October adopted a resolution giving the General Assembly the power to decide when a territory has become self-governing.

The UN Economic Committee appears the most likely forum for expression of renewed Latin American fear of economic "exploitation." Although most of the 20 Latin American nations have assured the United States that they plan no such initiative, there may be a repetition of proposals embarrassing to the United States similar to the Latin American resolutions of last year on parity prices and nationalization.

SECRET

SECRET

25X1

FRENCH-VIETNAMESE RELATIONS NEARING A SHOWDOWN

The unanimous rejection by the Vietnam "National Congress" of the concept of the French Union as now constituted fore-shadows a Vietnamese demand for far-reaching concessions in forthcoming negotiations with the French. Although the sentiment of the French Assembly in voting to debate the Indochina question on 23 October makes the prospect highly doubtful, French acceptance of the congress' resolution would go far toward solidifying Vietnamese support of the war in Indochina.

The close connection between military and political factors in the total situation in Indochina has been generally recognized. Vietnamese doubt as to ultimate French intentions regarding independence has been a definite factor in limiting popular support for the Bao Dai government. Successful French-Vietnamese negotiations could entirely remove this factor.

In convoking a national congress on 12 October from among the principal political, religious, and professional associations in Vietnam, Bao Dai intended to strengthen his bargaining power in negotiations with the French on their offer of 3 July to "perfect" the independence of the Associated States. He had expressly forbidden the congress to call into question Vietnam's membership in the French Union. That it did so anyway places Bao Dai in a strong position vis-a-vis the French. He can now contend that, despite his own realism and moderation, his hand has been forced by overwhelming nationalist pressure.

He and the Vietnamese delegation which will shortly proceed to Paris will be able to cite this pressure in submitting to the French the detailed demands formulated by the congress or its committees. These demands, which may have been made partly for bargaining purposes, include: command of all military forces in Vietnam under the Vietnamese chief of state; immediate transfer to Vietnam of all administrative powers still held by the French; supremacy of Vietnamese law; and full sovereignty in the economic and fiscal fields.

The potential effect of these demands in dispelling widespread suspicion of the Bao Dai government was complemented by a resolution to the effect that all treaties which Vietnam may sign with France must be ratified by a duly elected Vietnamese general assembly.

SECRET

SECRET

25X1

The extent to which the work of the congress and ensuing negotiations with the French may strengthen popular support for the Bao Dai government and for the war against the Viet Minh will depend on the liberality shown by France in meeting the new Vietnamese demands.

The French declaration of 3 July evaded the basic question of whether the Associated States had or would be given the right to withdraw from the French Union. In the case of Cambodia, the king's earlier demand for "dominion status" has been held in abeyance during protracted preliminary negotiations. While agreement has been reached on several points, the French have been unwilling to accept the king's demand for control over all Cambodian forces, three battalions of which are still in the French army. This point has now been deferred for subsequent negotiation in France.

It is possible that the new Vietnamese demands, combined with those of Cambodia, will force the French to agree to a drastic revision of the French Union concept to create an association of equal sovereign states. If the French substantially refuse to meet the Vietnamese demands, they may soon be unable to find any Vietnamese leaders of stature to deal with, and increasingly embittered French-Vietnamese relations will probably result.

SECRET

SECRET

25X1

WESTERN CONSTRUCTION AND REPAIR OF SHIPS FOR
THE SOVIET BLOC

The efforts of the Soviet Orbit to obtain merchant ships and extensive repair services in Western European and Japanese yards are meeting with increasing success as some of the free world countries find their ways unoccupied and their ship workers unemployed. This contravenes present COCOM provisions which restrict the sale of ships and the use of certain parts for repairs. It exemplifies the difficulties the United States will face in its efforts to narrow and tighten trade controls when the COCOM Consultative Group reconvenes early in December.

Of those strategic exports to the Orbit which COCOM approved through 1952 as exceptions for List II quotas, vessels constituted approximately half by dollar value. The total tonnage to be delivered to the Orbit in 1953 was 7,200 tons, excluding the 13,000-ton List I Danish tanker contracted for before the existence of COCOM. However, under terms of agreements already concluded or being negotiated, COCOM members will deliver to Orbit countries in 1954 34,500 tons of new ships; and 31,000 tons have already been ordered for 1955.

Of the 30 Orbit ships known to have been repaired in COCOM countries during the first half of 1953, 17 were in the yards long enough for major overhaul or rebuilding rather than only emergency repairs. This increasing availability of Western yards represents a particularly important strategic gain for the Soviet Union. Much of its merchant fleet is in bad repair from intensive use and poor maintenance, and the use of Western facilities enables it to avoid diverting its own yards from naval construction and repair.

COCOM countries cite various reasons as justification for the construction and repair of ships for the Soviet Orbit. France and Italy, for example, whose high-cost shipbuilding industries have difficulty competing in the West, contend that they must sell ships and repairs to the bloc or face serious unemployment in the industry. Denmark has claimed that it must meet Orbit requests for ships or lose its non-dollar sources of essential imports such as grains.

The British, though they have thus far made no important sales of ships to the Orbit, are now considering selling 32 trawlers to the USSR and Poland; as explanation they cite

SECRET

SECRET

25X1

"the strategic importance of maintenance of a healthy ship-building industry and current signs of unemployment." West Germany also has recently indicated that it may seek ship sales in the East.

In the past the United States and Britain have entered Consultative Group sessions with an agreed position. The present British position appears to threaten the entire COCOM control structure. Already the French COCOM representative has stated that approval of the British plan would call for abandonment or complete revision of criteria for the sale of ships to the Orbit.

SECRET

SECRET

25X1

KENYA ANTI-MAU MAU DRIVE LOSES MOMENTUM

Reports of growing pessimism among British authorities directing the anti-Mau Mau campaign in Kenya indicate that the past year's military operations against the terrorists have not fulfilled earlier expectations and may draw out over a long period. General Erskine, chief of the East Africa Command, has advised the War Office that the military effort will be of no avail unless political action is taken soon.

To combat an estimated 1,800 hard core Mau Mau, the British now have 7,400 regulars plus 26,000 police and home guards. The strategy adopted last spring was to seal off infected areas, force the Mau Mau bands into the mountain forests and starve them out. Initial successes and a marked decline in the number of the Mau Mau's white victims gave rise to optimism among the Europeans in Kenya, and in June the governor estimated that probably six more months would be required to suppress the rebellion.

In mid-August, however, the governor's chief of staff reportedly revised this estimate to 18 months. Mau Mau war parties have not been prevented from moving between their mountain hideouts and Nairobi, the Kenya capital, where they rest and recruit. Although they have suffered considerable losses, they have in turn inflicted heavy casualties on the native home guard. A rising wave of crime and intimidation compelled the authorities on 30 September to move regular troops into the capital; fear of Mau Mau reprisals has led natives to boycott the Nairobi bus service. Surrender terms offered Mau Mau members in August have met little response.

As yet the Mau Mau have not attempted to sabotage communications or succeeded in gaining more than a few adherents outside the Kikuyu, Kenya's largest tribe--either of which developments could compel complete redeployment of British security forces. These failures may stem from the apparent absence of a central directorate, from traditional hostility among Kenya's tribes, and from the fact that only the Kikuyu suffer from Mau Mau's known specific grievances--pre-emption of traditional tribal lands by Europeans and suppression by missionaries of female circumcision rites.

SECRET

SECRET

25X1

Faced with a possible stalemate and extraordinary expenditures of \$700,000 per month, some officials in Kenya have urged a new military strategy which would give top priority to clearing Mau Mau from Nairobi and the native reserves before striking at their forest strongholds. Others, including General Erskine and a few local civilians, are believed to be considering political concessions as an essential accompaniment to military action, but no concrete proposals have been reported.

The principal political demands of recognized African leaders, as told to an official American observer last May, include equal representation as against the Europeans and Indians combined in the Kenya legislative council and the local equivalent of at least one cabinet portfolio. In addition, there are basic African drives for breaking up blocks of European-owned land, for relaxation of racial segregation, and for jobs for the growing number of educated Africans.

Kenya's 35,000 white settlers are certain to oppose any concessions to the 5,250,000 Africans at this time, since they feel that there must be "no reward for rebellion." They have long criticized the colonial government for blunders and inefficiency in dealing with Mau Mau, and any apparent weakness of the authorities would provoke a violent settler reaction. Unless prodded strongly from London, the present governor and his aides are therefore unlikely to raise their sights beyond the immediate goal of restoring law and order.

A bold, longer-range program might enlist moderate native leaders in more wholehearted cooperation against the present terrorism, but would probably have little effect on Mau Mau's hard core. Kenya's situation will remain explosive, especially since radical native leaders can be expected to expand contacts which some have already made with British and Indian Communists, who may offer their own tactics as more likely to succeed than the methods of Mau Mau.

SECRET

THE OVERSEAS CHINESE IN SOUTHEAST ASIA

Four years after the establishment of the Communist regime in Peiping, most of the 10,000,000 Overseas Chinese in Southeast Asia still have not openly committed themselves as being for or against the Communists (see map, p. 17). The Chinese Communists are intensifying their efforts to win the allegiance of these people in the face of some growth of anti-Communist sentiment.

The downfall of Chiang Kai-shek in China and the initial Communist successes in the Korean war impressed the Chinese in Southeast Asia. Subsequent reverses in Korea and the brutality of Communist "reforms" on the mainland, however, discouraged any tendency to embrace Peiping, and the efforts to dominate the Overseas Chinese now appear to have turned into a long-term contest.

Winning the allegiance of the Overseas Chinese has perhaps been the chief objective of Peiping's activities in Southeast Asia. Not only does it pose as the champion and protector of the Chinese, but it is strenuously attempting to influence them through programs aimed directly at the most important elements of their community.

The Communists have a number of distinct advantages. The Overseas Chinese have for generations clung to their heritage, and have long tended to approve any regime, regardless of ideology, which promised to unite and strengthen China. The attraction of Peiping undoubtedly is reinforced by its military strength. The most important factor favoring the Communists, however, is the absence of effective competition. The Nationalist regime on Formosa has little to offer the Overseas Chinese, and there is as yet no other leadership to which they might rally.

The primary targets of Communist penetration are the Chinese press, youth groups, schools, civic and business organizations, and labor unions. These groups have been bombarded with propaganda. Cheap textbooks and other literature are readily available, and low-interest loans are easily obtainable by individuals as well as organizations. Chinese youths are encouraged to carry on their studies in China, while goodwill missions of all sorts are frequently promoted for adults.

~~SECRET~~~~CONFIDENTIAL~~

25X1

These activities have been most successful in Burma and Indonesia where they are supervised by Chinese Communist diplomatic posts and local branches of the Bank of China. In Viet Minh-held areas of Indochina, official Chinese Communist representatives and advisers occupy a highly privileged position. Elsewhere in Southeast Asia, Chinese Communist operations are of necessity more clandestine.

Despite Communist aggressiveness, there has been some resurgence of anti-Communist sentiment. In Bangkok the Chinese Nationalist embassy succeeded on the 10 October holiday this year in obtaining the attendance of all major Chinese regional and charity associations. Whereas the principal ceremonies had previously been held at the embassy, this year they were conducted in the auditorium of the powerful Chinese Chamber of Commerce. The US Information Agency in Bangkok regards this development as evidence of rising disillusionment among Thai Chinese with the Peiping regime.

In Malaya the previously insignificant Malayan Chinese Association which was founded largely at British instigation to counter Communist influence has grown with remarkable rapidity. It has allied itself with the leading Malay nationalist party, and the British now face the problem of curbing its power.

Even in neutralist Burma government officials, increasingly aware of the Communist threat, are secretly promoting anti-Communist sentiment among the Chinese. The anti-Communist Chinese, however, have been placed in an extremely awkward position because of the continuing presence of Nationalist troops on Burmese territory.

A similar link between government and anti-Communist Chinese had been developing in Indonesia until the moderate, Moslem-dominated government was replaced last August by a Communist-influenced regime.

16

~~SECRET~~~~CONFIDENTIAL~~

